



**SECTION-BY-SECTION HIGHLIGHTS  
PROPOSAL - SUBCOMMITTEE HB 4359 (H-1) DRAFT A  
FY 2006-07 and FY 2007-08**

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SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	PROPOSED – HOUSE SUBCOMMITTEE	SENATE PASSED	CONFERENCE
Sec. 3(1) Average Daily Attendance	Defines "Average Daily Attendance" as being 92% of the membership as defined in Section (6)(4).  (6) Lists the sections of the Act that exclude PSAs from the definition of district.	Technical change to fix an incorrect reference from Section 6(4) to Section 6(7) which is the count day reference.  (6) Adds Sec. 22e, consolidation of school services requirements. Also adds Sec. 29 declining enrollment grants to correct an error in the current act which omitted the section contrary to conference agreement.	Concurs with Executive.  (6) Adds Sec. 29 declining enrollment grants to correct an error in the current act which omitted the section contrary to conference agreement.		
Sec. (6)(4)bb Additional Memberships	Allows Benjamin Carson Academy to use average daily attendance as their pupil count.	Strikes this language as Benjamin Carson Academy is no longer in operation.	Concurs with Executive.		
<b>NEW</b> Sec. 6(6)K Expelled Pupil	N/A	Allows a student expelled in one district and reinstated in another district to be counted in membership in the educating district.	Concurs with Executive.		
Sec. 6(7) Pupil Count Day	Establishes count day as fourth Wednesday after Labor day or the following day if school not in session that Wednesday.	Only allows count day to be postponed a day if school is not in session "due to conditions not within the control of school authorities."	Concurs with Executive.		
Sec 6a Supplemental Count Day	Establishes the supplemental count day on the second Wednesday in February or the preceding day if school not in session that Wednesday.	No change.	Shifts alternate to the "following day" if school is not in session "due to conditions not within the control of school authorities" to make it identical to Sec 6(7).		

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Sec. 8b(2) Assigning District Codes to Public School Academies	Assigns the number 9 to the third digit of the district code for PSAs.	Provides that if the total number of PSAs in a county exceeds 100 the third digit shall be an 8.	Concurs with Executive.		
Sec. 11(1) Total Appropriations	<p><b>School Aid Fund (SAF)</b> FY 2006-07 SAF appropriation of \$11,553,708,200.</p> <p><b>General Fund (GF/GP)</b> FY 2006-07 appropriation of \$35,000,000.</p>	<p><b>School Aid Fund (SAF)</b> Revised FY 2006-07 SAF appropriation of \$11,417,283,200 a decrease of \$136,425,000 and this assumes passage of the tax proposals.</p> <p>FY 2007-08 SAF appropriation of \$11,985,916,700 an increase of \$432,208,500 over current law and assumes passage of tax proposals.</p> <p><b>General Fund (GF/GP)</b> FY 2006-07 and FY 2007-08 appropriation of \$35,000,000.</p>	<p><b>School Aid Fund (SAF)</b> Not Included.</p> <p>FY 2007-08 SAF appropriation of \$11,924,243,600, an increase of \$370,535,400.</p> <p><b>General Fund (GF/GP)</b> FY 2007-08 appropriation of \$55,000,000.</p>		
Sec. 11a School Aid Stabilization Fund (SASF)	Provides for the creation of the SASF which receives unexpended SAF revenue and money statutorily dedicated. For FY 2006-07 the SASF transferred the amount necessary to fully fund the allocations in the Act to the SAF.	Date Change.	Concurs with Executive.		
Sec. 11f Durant Cash Payment	<p>Appropriates \$32,000,000 for FY 2006-07 to districts for the cash payment portion of the Durant Settlement.</p> <p>-Includes new language allowing funds to be used for early intervening programs.</p>	<p>Appropriates \$32,000,000 for FY 2007-08.</p> <p>-Strikes early intervening program as an allowable use of the funds.</p>	Concurs with Executive.		

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Sec. 11g Durant Bonding Payment	Appropriates \$34,961,000 in FY 2006-07 to districts to make their "Durant" bond payment.	Appropriates \$34,961,000 in FY 2007-08.	Appropriates \$141,000 in FY 2007-08 by restructuring the debt service on the bonds if notification by the Municipal Bond Authority by May 15, 2007 to the State Treasurer.		
Sec. 11j School Bond Loan Fund	Appropriates \$48,000,000 for FY 2006-07 for debt service from the school bond loan program.	Appropriates \$51,800,000 for FY 2007-08.	Appropriates \$1,900,000 in FY 2007-08 by refinancing some of the bonds.		
Sec. 11m Cash-Flow Borrowing	Appropriates \$22,800,000 for FY 2006-07 to pay for costs associated with cash-flow borrowing related to the School Aid Fund.	Appropriates \$22,800,000 for FY 2007-08.	Concurs with Executive.		
Sec. 15 Adjustments to Apportionments	Authorizes the department to make adjustments to districts as a result of an audit within the next fiscal year after the fiscal year in which the adjustment is finalized.	Authorizes the department to make adjustments to districts payments as a result of an audit when the adjustment is finalized.	Concurs with Executive.		
Sec. 18 Expenditures Guidelines and Financial Audits	<p>(1) Provides that not more than 20% of foundation allowance funding may be used for capital projects or debt service. Allows the department to withhold funds for the fiscal year following the discovery by the department a violation by the recipient.</p> <p>(3) Requires audits of financial and pupil accounting records. The Department shall notify budget director and legislature by Dec. 1 of districts and Intermediate districts who have not filed audit report.</p>	<p>(1) Modifies the language allowing the department to withhold funds upon a violation by the recipient.</p> <p>(3) Moves notification date from Dec 1 to Dec 31.</p>	<p>Concurs with the Executive.</p> <p>Concurs with the Executive.</p>		

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	(6) Districts and ISDs shall file transportation reports to the Department (of Education).	(6) Change the from Department (of Education) to Center (CEPI).	Concurs with the Executive.		
Sec. 19 Compliance with PA 25 of 1990 and Submission of Progress Reports	<p>(2) Requires districts to provide information for the annual progress report on the implementation of sections 1204a (annual educational report), 1277 (school improvement plan), 1278 (core academic curriculum), and 1280 (accreditation) of the Revised School Code.</p> <p>(3) Requires districts to furnish data within 7 weeks after count day in the form and manner prescribed by CEPI for the high school graduation report.</p>	<p>(2) Strikes all of subsection.</p> <p>(3) Adds that intermediate school districts must verify that information submitted by its constituent districts is reasonably accurate.</p>	<p>Concurs with the Executive.</p> <p>Maintains current law.</p>		
Sec. 20 Foundation Allowance Calculation	<p>(1) Basic Foundation Allowance for FY 2006-07 is \$7,085.</p> <p>(9) Provides that hold harmless districts with less than 350 pupils do not have levy hold harmless mils, and that the State will make up the revenue.</p>	<p>(1) Basic Foundation Allowance for FY 2007-08 is \$7,286, an increase of \$178 per pupil or 2.5% after adjusting for the FY 2006-07 equity payment of \$23.</p> <p>(3)(e) Rolls the Sec. 22c equity payment into the district's base foundation. Makes technical revisions to (3)(b), (4),(6), and (14) to adjust for the change in the base.</p> <p>(9) Restricts districts that receive funding under Sec. 22d (supplemental funding to Small, Isolated Districts) from receiving funds under this subsection. (Burt Twp, Detour, and Mackinac Island would be excluded.)</p>	<p>(1) Basic Foundation Allowance for FY 2007-08 is \$7,208, an increase of \$100 per pupil or 1.4% after adjusting for the FY 2006-07 equity payment of \$23.</p> <p>Concurs with Executive. Adds intent that in FY 2008-09, the FY 2007-08 equity payment will be rolled into a district's foundation.</p> <p>Maintains current law.</p>		

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	<p>(14) If consensus is reached on the foundation index at the Revenue Estimating Conference the foundation allowance shall be at least the index times the foundation allowance.</p> <p>(15) Intent requiring a GF/GP amount sufficient to support pupil membership growth in excess of 101% of the previous year membership.</p> <p>(17) and (20) Allows the foundation allowance adjustment for small class size to be used for early intervening programs.</p>	<p>(14) Strikes the subsection.</p> <p>(15) Strikes the subsection.</p> <p>(17) and (20) Strikes the early intervention programs as an allowable use.</p>	<p>Maintains current law.</p> <p>Maintains current law.</p> <p>Maintains current law.</p>		
Sec. 20j Additional Calculation for Hold Harmless Districts	Provides funding to districts above the hold-harmless cap reflecting the difference between inflationary increases (where such districts are capped) and actual dollar increases given in the basic foundation allowance.	Date change and technical change to accommodate the FY 2006-07 equity payment.	Concurs with Executive.		
Sec. 22a Proposal A Obligation Payment (The Constitutionally required portion of the foundation allowance.)	FY 2006-07 appropriation of \$6,207,000,000.	<p>Reduces FY 2006-07 appropriation by \$2,300,000 to \$6,204,700,000 to recognize newer taxable value data and lower pupil estimates.</p> <p>Reduces the FY 2007-08 appropriation by \$191,000,000 to \$6,016,000,000 to incorporate the lower costs due to pupil estimates and</p>	<p>Not Included.</p> <p>Concurs with Executive.</p>	.	

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		taxable values, and assumes costs of \$26,400,000 from Midland Dow tax tribunal settlement and \$11,000,000 in taxable value costs from utility tax table negotiations.			
Sec. 22b Discretionary Payment (The discretionary portion of the foundation allowance.)	FY 2006-07 appropriation of \$3,584,950,000.	Reduces the FY 2006-07 appropriation by \$18,950,000 to \$3,566,000,000 to recognize lower pupil estimates.  FY 2007-08 appropriation of \$3,880,000,000, reflecting a \$178 per pupil increase in the basic foundation.	Not Included.  FY 2007-08 appropriation of \$3,751,000,000, reflecting a \$100 per pupil increase in the basic foundation.		
Sec. 22c Equity Payment	Appropriates \$20,000,000 for FY 2006-07 to provide an equity payment of up to \$23 per pupil for districts whose 2006-07 foundation allowance is below \$7,360. Adds intent language that the amount of the equity payment shall be added to each district's base foundation beginning with the 2007-08 fiscal year.	Not included because the FY 2006-07 equity payment is rolled into the foundation allowances of recipient districts in Section 20.	Appropriates \$116,000,000 for a FY 2007-08 equity payment of up to \$100 per pupil for districts with a FY 2007-08 foundation of \$7,669 or less.		
Sec. 22d Supplemental funding to Small, Isolated Districts	Appropriates up to \$750,000 out of Sec. 22b for FY 2006-07 to certain small, geographically isolated districts.	Appropriates \$750,000 for FY 2007-08.	Concurs with Executive.		
<b>NEW</b> Sec. 22E Consolidation of School Services	N/A	Provides \$10,000,000 for incentive payments to districts that consolidate by entering into agreements for all offered services with their intermediate school districts. Services may include the following: (A) Provisions of business	Not Included.		

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		<p>services, including but not limited to, purchasing services, payroll and human resources services, pupil transportation services, budgeting and accounting services, billing and payment services, energy consortia, telecommunications and data technology services.</p> <p>(B) Joint operating agreements for the consolidation of administrative personnel positions, including but not limited to, superintendent, chief financial officer, curriculum director, transportation director, and food service director.</p> <p>(C) Instructional services.</p> <p>Funding is awarded to participating districts on a per pupil basis, based on the number of districts participating. (\$6.27 per pupil if all districts participate.) PSAs are not eligible for this section.</p> <p>\$200,000 of the funding is earmarked for the Department to implement this section.</p>			
Sec. 24 Court-Placed Pupils	FY 2006-07 appropriation of \$8,000,000 to reimburse districts for the added costs of educating court placed pupils in a local juvenile detention facility or child caring institution.	FY 2007-08 appropriation of \$8,000,000. Removes language referencing a prior year change.	Concurs with Executive.		

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Sec. 24a Educating Pupils in Juvenile Justice Service Facilities	Appropriates \$3,000,000 in FY 2006-07 for payments to intermediate districts for pupils who are placed in juvenile justice service facilities operated by the Department of Human Service.	Appropriates \$3,103,400 for FY 2007-08. This is an increase of \$103,400 for economics.	Concurs with Executive.		
Sec. 24c Youth Challenge Program	Appropriates \$1,253,100 for FY 2006-07 for the Youth Challenge Program. The payment goes through Battle Creek Public Schools, which contracts with the DMVA to ensure that all funding received would be utilized by the DMVA for the Youth Challenge Program.	Appropriates \$1,283,900 for FY 2007-08. This is an increase of \$30,800 for economics.	Concurs with Executive.		
Sec. 26a Renaissance Zone Reimbursement	FY 2006-07 appropriation of \$37,650,000 SAF and \$12,550,000 GF/GP to reimburse districts and the School Aid Fund for revenue lost due to renaissance zones.	FY 2007-08 appropriation of \$39,700,000 from the SAF and \$13,500,000 GF/GP. An increase of \$3,000,000 to reflect additional renaissance zones.  Removes language allowing funds to be used to reimburse districts for interest paid as a result of property tax refunds.	Concurs with Executive.  Concurs with Executive.		
Sec. 26b PILT Reimbursement	FY 2006-07 GF/GP appropriation of \$2,400,000 to reimburse districts, intermediate districts, and community colleges for payment in lieu of taxes (PILT) obligations per PA 513 of 2004.	FY 2007-08 appropriation of \$3,400,000, an increase of \$1,000,000 to reflect actual costs.  Shifts funding from GF/GP to SAF.	Concurs with Executive.  Concurs with Executive.		
Sec. 29 Declining Enrollment Grants	Appropriates \$20,000,000 for FY 2006-07 for declining enrollment grants to local districts (not charter schools) with two	FY 2007-08 appropriation of \$36,000,000, which is an increase of \$16,000,000 million over FY 2006-07. No language changes are	Concurs with Executive.		

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	consecutive years of declining enrollment. If the district receives funding under Sections 6(4)(y) or 22d, it would not be eligible for a grant under this section. The payment is equal to the district's foundation allowance multiplied by the difference between the district's 3-year average pupil membership and the actual pupil membership. The allocation is prorated if funding is insufficient.	recommended.			
Sec. 31a At-Risk Funding/ Adolescent Health Centers/ Hearing and Vision Screenings/ Mercy Education Project	<p>(1) FY 2006-07 total appropriation of \$319,450,000.</p> <p>At-Risk Funding equals \$310,457,000</p> <p>(6) Allocates \$3,743,000 out of (1) for Child and Adolescent health centers.</p> <p>(7) Allocates \$5,150,000 out of (1) for the state portion of the hearing and vision screenings described in Section 9301 of the Public Health Code. A local public health department shall pay at least 50% of the total cost of the screenings.</p> <p>(8) Allocates \$100,000 out of (1) to Detroit Public Schools for the Mercy education project.</p> <p>(14) Allows funds under this section to be used for early intervening programs.</p>	<p>(1) FY 2007-08 total appropriation of \$319,350,000.</p> <p>Maintains At-Risk Funding at \$310,457,000</p> <p>(6) Allocates \$3,743,000 out of (1) for Child and Adolescent health centers.</p> <p>(7) Allocates \$5,150,000 out of (1) for the state portion of the hearing and vision screenings</p> <p>(8) Strikes subsection.</p> <p>(14) Strikes subsection.</p>	<p>(1) FY 2007-08 total appropriation of \$321,450,000.</p> <p>Maintains At-Risk Funding at \$310,457,000</p> <p>(6) Allocates \$5,743,000 out of (1) for Child and Adolescent health centers.</p> <p>(7) Allocates \$5,150,000 out of (1) for the state portion of the hearing and vision screenings.</p> <p>(8) Maintains current law but allocated to Wayne RESA instead of Detroit Public Schools.</p> <p>(14) Maintains current law.</p>		

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Sec. 31c Children of Incarcerated Parents	Appropriates \$1,875,000 for 2006-07 for a pilot program designed to address the needs of pupils whose parent or parents are incarcerated. Eligible districts must have a free breakfast or lunch eligibility rate of 60% or more. A district shall receive a grant of \$75,000 (\$150,000 for Detroit) to provide video and/or audio conferencing as well as academic or social support from qualified personnel.	REPEALS as of October 1, 2006. This would eliminate this funding for FY 2006-07 and FY 2007-08.	REPEALS as of October 1, 2007. Eliminates funding for FY 2007-08.		
Sec. 31d School Lunch Program	Appropriates \$22,495,100 SAF for FY 2006-07 to fully fund the State share of the school lunch programs as required by the <i>Durant</i> settlement. Also includes \$322,506,000 in federal funds.	Appropriates \$22,495,100 in SAF and \$322,506,000 in Federal funds for FY 2007-08.	Concurs with Executive.		
Sec. 31f School Breakfast	Appropriates \$9,625,000 for FY 2006-07 to reimburse districts for the cost of providing breakfasts.	Appropriates \$9,625,000 for FY 2007-08.	Concurs with Executive.		
<b>NEW</b> Sec 31G Amer-I-Can Grants	N/A	N/A	Appropriates \$2,000,000 for 2007-2008 for two grants (\$1,500,000 to Detroit and \$500,000 to Grand Rapids) for the Amer-I-Can training curriculum in life-management skills, designed to raise self-esteem and teach students how to empower themselves and turn their lives around with positive self-esteem and self-determination, to become responsible and productive citizens.		

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NEW Sec. 32 Early Childhood Education	N/A	N/A	Establishes intent that by 2011-2012, all districts shall provide universal, full-day prekindergarten programs for four-year-olds.  Establishes intent that 11% of the total appropriations for preschool programs in sections 32d, 32e, 32f, and 32l be appropriated for 0-3 and 0-5 programs in sections 32c and 32j.		
Sec. 32b Great Start Communities Grants (ECIC)	Appropriates \$1,000,000 for competitive grants to intermediate districts for the creation of great start communities or other community purposes identified by the Early Childhood Investment Corporation (ECIC). The ECIC must identify matching dollars before expending these funds. Grants will be awarded to eligible Intermediate districts in amounts determined by the ECIC.	Appropriates \$1,000,000 for FY 2007-08.  (1b) Strikes language on increasing the executive committee to 19 members because it has already been done.  (4) Strikes report on the anticipated expenditure of the funds.  (5) Requires the DOE rather than ECIC provide a report on grant awards.	Appropriates \$2,500,000 for FY 2007-08.  Concurs with Executive.  Concurs with Executive.  Concurs with Executive.		
Sec. 32c. Early Childhood Grants	Appropriates \$1,750,000 GF/GP for interagency early childhood grants for FY 2006-07.	Appropriates \$1,750,000 GF/GP for interagency early childhood grants for FY 2007-08.  Changes "promote marriage" to "promote families".	Appropriates \$15,000,000 for FY 2007-08.  Concurs with Executive.		
Sec. 32d School Readiness Half-Day Allocation	Allocates \$78,600,000 SAF for FY 2006-07 to operate the Michigan School Readiness Program (MSRP) and \$200,000 GF/GP to continue a longitudinal study of the MSRP.	Allocates \$83,200,000 for FY 2007-08 SAF to operate MSRP and \$200,000 GF/GP to continue a longitudinal study of the MSRP. The \$4,600,000 increase is for an increase in the per pupil allocation from \$3,300 to	Concurs with Executive.		

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	<p>(1(b)) Allows funds to be used for preschool and parenting programs under former section 32b (PIE program).</p> <p>(2) A program "may" include an age-appropriate educational curriculum as described in the early childhood standards of quality for prekindergarten children adopted by the State Board of Education.</p> <p>(4) Allows districts to contract for the program.</p>	<p>\$3,500.</p> <p>(1(b)) Strikes subsection.</p> <p>(2) A program "shall" include an age-appropriate educational curriculum as described in the early childhood standards of quality for prekindergarten children adopted by the State Board of Education.</p> <p>(4) Allows districts to contract for the program.</p>	<p>Concurs with Executive.</p> <p>Concurs with Executive.</p> <p>(4) Allows districts to contract only with "preschool center providers that meet all provisions of the early childhood standards of quality for prekindergarten children adopted by the state board".</p>		
<b>NEW</b> Sec. 32E School Readiness Full-Day Allocation	N/A	Appropriates \$194,600,000 for FY 2007-08 to create a new full-day preschool program for districts to be funded with a foundation allowance. It is estimated to cover approximately 26,000 children.	<p>FY 2007-08 appropriations of \$87,300,000 for the Executive proposal. It is estimated to cover over 11,000 children.</p> <p>Allows a district to contract for the services as already allowed for the half-day program.</p> <p>Encourages local planning to consider ways to work with Head Start to allow head start children to access full day/full year programs.</p>		

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		<p>Requires district to include age-appropriate educational curriculum, as described in the early childhood standards of quality for prekindergarten children adopted by the State Board of Education.</p> <p>This new program has the same pupil eligibility and teacher requirements and the same funding distribution as the half-day program.</p> <p>Requires districts in the following year to make available full-day kindergarten program for these pre-schoolers.</p>	<p>Concurs with Executive.</p> <p>Concurs with Executive.</p> <p>Concurs with Executive.</p> <p>Requires that districts participate in a collaborative recruitment and enrollment process with other funded preschool programs to assure each child in the most appropriate program and to maximize federal, state and local funds.</p> <p>Funds not awarded by Dec 1, may be distributed under section 32f.</p>		
<b>NEW</b> Sec. 32F Universal Pre-School Funding	N/A	N/A	<p>FY 2007-08 appropriations of \$87,300,000 for full foundations for districts ready to provide universal full day preschool for four-year-olds.</p> <p>Includes the same curriculum and teacher requirements as sections</p>		

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			<p>32d and 32e.</p> <p>Requires districts in the following year to make available full-day kindergarten program for these pre-schoolers.</p> <p>Funds not awarded by Dec 1, may be distributed under section 32e.</p>		
Sec. 32j Intermediate District (ISD) Parent Involvement Grants	<p>Appropriates \$5,000,000 in FY 2006-07 in state funds to intermediate districts for competitive grants to provide programs to parents of children age 5 or younger to encourage early mathematics and reading literacy, improve school readiness, reduce the need for special education services, and foster stable families. Intermediate districts can receive up to 3.5% of their FY 2002-03 payments under Sec. 81.</p> <p>To qualify for funding the program must provide the following services; provide parents with information on child development, provide methods to enhance parent-child interaction, provide parents with examples of learning opportunities, promote access to community services, and promote marriage.</p>	<p>Appropriates \$5,000,000 in FY 2007-08.</p> <p>Changes promoting "marriage" to promoting "families".</p> <p>Allows unspent funds to be carried forward only one fiscal year.</p>	<p>Appropriates \$15,000,000 in FY 2007-08.</p> <p>Concurs with Executive.</p> <p>Concurs with Executive.</p>		
Sec. 32l School Readiness Competitive Grant	FY 2006-07 appropriation is \$12,250,000 GF/GP for competitive school readiness program grants to entities other than local	<p>Appropriates \$13,050,000 GF/GP for FY 2007-08.</p> <p>The additional funding is for a \$200 increase in the per</p>	<p>Concurs with Executive.</p> <p>Concurs with Executive.</p>		

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	school districts.	pupil allocation to from \$3,300 to \$3,500.	Requires that the local advisory committee review an agency's participation in a collaborative recruitment and enrollment process with other funded preschool programs to assure each child in the most appropriate program and to maximize federal, state and local funds.		
Sec. 32m Book-a-Month Program	Appropriates \$500,000 for 2006-07 to award competitive grants to districts and intermediate districts to provide preschool children with a book each month from birth to age 5. Districts must provide local matching funds.	REPEALS as of October 1, 2006. This would eliminate this funding for FY 2006-07 and FY 2007-08.	REPEALS as of October 1, 2007. Eliminates funding for FY 2007-08.		
Sec. 34 Early Intervening Model Program	Appropriates \$400,000 for 2006-07 for the first of a five-year grant program to develop an Early Intervening Program for grades K to 3. The program will instruct classroom teachers and support staff on how to monitor pupil's learning and how to provide specific support or learning strategies to pupils in order to reduce the need for special education placement.	REPEALS as of October 1, 2006. This would eliminate this funding for FY 2006-07 and FY 2007-08.	REPEALS as of October 1, 2007. Eliminates funding for FY 2007-08.		
Sec. 37 MSRP Program Eligibility Requirements	Describes the application process and teacher requirements for MSRP.	Makes technical change to required preapplication information.	Concurs with Executive.  Adds "For the purposes of section 32e, the number of		

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			<p>children enrolled in head start for whom the head start agency proposes a collaborative model shall be considered "unserved".</p> <p>Requires districts to participate in a collaborative recruitment and enrollment process with other preschool programs to assure that each child is enrolled in an appropriate program and to maximize the use of federal, state and local funds.</p>		
Sec. 38 MSRP District Need Formula	Describes the formula which calculates the maximum number of kids in need of special readiness for Section 32d (MSRP).	Revises to include Section 32e, the new full day school readiness program.	Concurs with Executive.		
Sec. 39 MSRP Per Pupil Allocation	<p>(1) Per pupil allocation for MSRP students is \$3,300.</p> <p>(1) &amp; (6) Allows for two slots to be used for one student for a full-day option.</p>	<p>(1) Increases the per pupil allocation for MSRP students to \$3,500.</p> <p>(1) &amp; (6) Strikes the full day language.</p>	<p>Concurs with Executive.</p> <p>Concurs with Executive.</p>		
Sec. 39a Federal Funds	<p>(1) FY 2006-07 appropriations of \$636,978,000 in federal "No Child Left Behind" funds.</p> <p>(2) and \$4,646,400 in other federal funds for education</p>	<p>(1) FY 2007-08 revised appropriations of \$638,210,100 in federal "No Child Left Behind" funds. The increase over the prior year is from the shift of federal Language Acquisition grants from bilingual education sec. 41a.</p> <p>(2) and \$4,646,400 in other federal funds for education.</p>	<p>Concurs with Executive.</p> <p>(n) Allows up to \$50,000 of the 21<sup>st</sup> Century Community Learning Center funds to be used for the Michigan After-School Partnership.</p> <p>Concurs with Executive.</p>		
Sec. 41 & 41a Bilingual Education	Appropriates \$2,800,000 in SAF for FY 2006-07 for districts to provide bilingual	Appropriates \$2,800,000 in SAF for FY 2007-08.	Concurs with Executive.		

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	education programs.  Appropriates \$1,232,100 in federal Language Acquisition grants for the instruction of pupils with limited English speaking ability.	Section 41a is repealed, and the federal funds for bilingual education are transferred to Section 39a with other Federal funding.	Concurs with Executive.		
Sec. 51a(1) Total Special Education Funding	Allocates \$991,983,000 in SAF and \$350,700,000 in Federal funding for special education programs for FY 2006-07.  (7)(c)and(d) Allows unspent Sec. 51a funds at bookclosing to be allocated as additional reimbursements in certain situations for FY 2004-05 and 2005-06 only.	For FY 2007-08, allocates \$1,023,183,000 from SAF and \$350,700,000 in Federal funding for special education programs.  Deletes (7)(c) and (d).	FY 2007-08 allocates \$1,024,183,000 from SAF and \$350,700,000 in Federal funding for special education programs.  (7)(c)and(d) Allows unspent Sec. 51a funds at bookclosing to be allocated as additional reimbursements in certain situations for FY 2006-07 only.		
Sec. 51c Special Education Durant Payment	Appropriates \$708,200,000 for FY 2006-07 to provide funding for costs associated with Durant settlement that guarantees districts 28.6138% of total approved costs of special education services and 70.4164% of total approved costs of special education transportation.	Appropriates \$726,200,000 for FY 2007-08.	Appropriates \$727,000,000 for FY 2007-08.		
Sec. 51d Federal Special Education Funds	Appropriates \$74,000,000 in Federal special education grants for FY 2006-07.	Appropriates \$74,000,000 in Federal special education grants for FY 2007-08.	Concurs with Executive.		
Sec. 54a Lending Library	Appropriates \$250,000 for FY 2006-07 to maintain a lending library at Central Michigan University to provide special needs assessment tools to districts and intermediate districts.	Appropriates \$250,000 for FY 2007-08.  NEW (2) Specifies that this is the third of three years of funding.	Concurs with Executive.  Not included.		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	PROPOSED – HOUSE SUBCOMMITTEE	SENATE PASSED	CONFERENCE
Sec. 54b Conductive Learning Center	Appropriates \$250,000 in FY 2006-07 to Michigan State University in conjunction with Aquinas College to evaluate the effects of conductive learning on children with cerebral palsy.	REPEALED for FY 2007-08.	Concurs with Executive.		
Sec. 56 Special Education Millage Equalization	Provides funding to intermediate districts to guarantee a minimal amount per Special Education mill levied, on a per-pupil basis.  Appropriates \$36,881,100 for FY 2006-07 for millage equalization.  FY 2006-07 per pupil equalization dollar amount of \$151,300.	Provides funding to intermediate districts to guarantee a minimal amount per Special Education mill levied, on a per-pupil basis.  Appropriates \$36,881,100 for FY 2007-08 for millage equalization.  FY 2007-08 per pupil equalization dollar amount at \$161,200.	Concurs with Executive.		
Sec. 57 Advanced and Accelerated Programs	Appropriates \$285,000 in FY 2006-07 for competitive grants to intermediate districts for middle school summer institutes and comprehensive programs for advanced and accelerated students. Each intermediate district could receive up to \$5,000.	Appropriates \$285,000 for FY 2007-08.	Concurs with Executive.		
Sec. 57a International Baccalaureate Grants	Appropriates \$250,000 for FY 2006-07 for five grants of up to \$50,000 each for development and start up costs for international baccalaureate and middle years programs.	REPEALS as of October 1, 2006. This would eliminate this funding for FY 2006-07 and FY 2007-08.	REPEALS as of October 1, 2007. Eliminates funding for FY 2007-08.		
Sec. 61a Vocational Education	Appropriates \$30,000,000 for FY 2006-07 to support vocational education programs.	Appropriates \$30,000,000 for FY 2007-08.	Concurs with Executive.		

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Sec. 62 Vocational Education Millage Equalization	Provides funding to intermediate districts that levy vocational education mills to guarantee a minimal amount received per mill levied, on a per-pupil basis.  Appropriates \$9,000,000 for FY 2006-07.  FY 2006-07 per-pupil equalization amount is \$160,500.	Provides funding to intermediate districts that levy vocational education mills to guarantee a minimal amount received per mill levied, on a per-pupil basis.  Appropriates \$9,000,000 for both FY 2007-08.  FY 2007-08 per-pupil equalization amount is \$171,200.	Concurs with Executive.		
Sec. 64 Health/Science Middle College Program	Appropriates \$2,000,000 in FY 2006-07 for grants to intermediate districts or Detroit Public Schools that are in consortium with a community college or state university and a hospital to create and implement a middle college focused on health sciences	Appropriates \$4,000,000 in FY 2007-08.  NEW (4) and (5) Specifies that grants shall be awarded for four consecutive years, and that recipient shall receive 100% of their prior year grant award in Year 2 and 50% of their prior year grant award for each year after.	Concurs with Executive.  Concurs with Executive and adds language allowing intermediate districts and Detroit to qualify for additional grants under the new funding.		
Sec. 65 Precollege Engineering and Science Grants	Appropriates \$780,100 for FY 2006-07 for 3 grants to districts or intermediate districts for eligible precollege programs in engineering and the sciences. The DLEG shall give preference in awarding the grants to eligible existing programs that received funds in the 2005-06 DLEG budget. The two areas that received this grant then were Grand Rapids and Detroit.  (3) \$100,000 shall go to Kalamazoo RESA to start a similar program.	Appropriates \$680,100 for FY 2007-08 again with preference for existing Grand Rapids and Detroit programs.  Deletes (3).	Concurs with Executive.  Concurs with Executive.		

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<b>NEW</b> Sec. 65A Post Secondary Education Attainment	N/A	N/A	Appropriates \$500,000 for 2007-2008 to Macomb ISD for the purposes of establishing a pilot program to facilitate access by students of all ages to information regarding post secondary opportunities including labor market analysis, career planning, course offerings, and financial resources or scholarships.		
Sec. 74 Bus Driver Safety	FY 2006-07 appropriation is \$2,965,000.  \$1,625,000 is to reimburse intermediate districts and universities for providing bus driver safety instruction.  \$1,340,000 is for reimbursement to districts and intermediate districts for costs of MSP school bus inspections.	FY 2007-08 appropriation is \$3,025,800.  \$1,625,000 is to reimburse intermediate districts and universities for providing bus driver safety instruction.  \$1,400,800 is for reimbursement to districts and intermediate districts for costs of MSP school bus inspections.	Concurs with Executive.  Concurs with Executive.  Concurs with Executive.		
Sec. 76 Transportation of Nonpublic Students	Requires that funding received in FY 1993-94 for nonspecial education transportation if included in calculating combined state/local funding in FY 1993-94, then districts shall use money received under Section 20 as funding for transporting nonpublic school students as required under MCL 380.1321.	Technical change from "money received" to "funding as calculated" under section 20.	Concurs with Executive.		
<b>NEW</b> Sec. 77 Transportation Grants	N/A	N/A	Appropriates \$20,000,000 for FY 2007-08.  \$15,000,000 to districts with a total square mileage greater than 156 miles distributed on a per pupil		

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			basis estimated at \$98.  \$5,000,000 to districts with 5.0 or fewer pupils per square mile distributed on a per pupil basis estimated at \$98.		
Sec. 81(1) Intermediate School Districts (ISD) General Operations Funding	FY 2006-07 appropriation is \$80,110,900 for basic operational funding of intermediate districts.	FY 2007-08 appropriation is \$82,114,000.  (5) Adds the following requirements for an intermediate district to receive funding under this section: -Must employ someone trained in procedures for data used to calculate high school graduation and drop out rates. -Must comply with new curriculum and graduation requirements. -Must furnish data required by State and Federal law to CEPI and DOE. -Must comply with educational employee fingerprinting requirements.	FY 2007-08 appropriation of \$80,110,900.  Concurs with Executive.		
Sec. 94a Center for Educational Performance and Information (CEPI)	Appropriates GF/GP of \$2,350,000 in FY 2006-07 to support the operations of the CEPI and for the development and implementation of a comprehensive data management and student tracking system.  Appropriates \$3,543,200 in FY 2006-07 from Federal funds for Federal reporting requirements.	Appropriates GF/GP of \$2,435,400 in FY 2007-08.  Appropriates \$3,543,200 in FY 2007-08 from Federal funds.  Adds "reasonable" to the validity, reliability, and	Concurs with Executive.   Concurs with Executive.  Concurs with Executive.		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	PROPOSED – HOUSE SUBCOMMITTEE	SENATE PASSED	CONFERENCE
		accuracy of data.			
Sec. 98 Michigan Virtual University (MVU)	Appropriates \$2,250,000 GF/GP to MVU in FY 2006-07 for operations of the Virtual High School and appropriates \$3,250,000 in Federal funds. Also appropriates \$500,000 in SAF for collaboration with an intermediate district to provide My Dream Explorer career planning software statewide.	Appropriates \$2,250,000 GF/GP to MVU in FY 2007-08 for operations of the Virtual High School and appropriates \$3,250,000 in Federal funds. Also appropriates \$500,000 in SAF for collaboration with an intermediate district to provide My Dream Explorer career planning software statewide.  Deletes requirements that activities include the scientific method to critically analyze scientific theories.	Concurs with Executive.  Deletes the \$500,000 funding and subsection (8) for the My Dream Explorer.  Concurs with Executive.		
Sec. 98b Freedom to Learn Program	Appropriates \$1,500,000 in unexpended FY 2005-06 Federal Ed Tech grants for FY 2006-07.	REPEALED for FY 2007-08.	Concurs with Executive.		
Sec. 98c Web Based Testing	Appropriates \$1,000,000 GF/GP for online practice assessments and classroom remediation for up to 240,000 middle school students.	REPEALS as of October 1, 2006. This would eliminate this funding for FY 2006-07 and FY 2007-08.	REPEALS as of October 1, 2007. Eliminates funding for FY 2007-08.		
<b>NEW</b> Sec. 98d 21 <sup>st</sup> Century Learning Environments	N/A	N/A	Appropriates \$38,000,000 for 21 <sup>st</sup> Century Learning Environments. DOE shall work with districts, intermediate districts, business and industry leaders and innovative education organizations to create a statewide initiative with new learning environments to create academic content and knowledge in digital forms. Funds shall be used to provide professional		

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			development, create a statewide content repository, coordinate efforts with other programs, and assist districts in obtaining innovative content creation and distribution tools.		
Sec. 99 Math and Science Centers	FY 2006-07 state appropriations of \$3,500,000 and \$4,456,000 in Federal funds for the funding of 33 math and science centers throughout the state.	FY 2006-07 state appropriations of \$3,500,000 and \$4,456,000 in Federal funds.  Deletes requirements that activities include the scientific method to critically analyze scientific theories.	Concurs with Executive.		
Sec. 99c Middle School Math - District Grants	Appropriates \$20,000,000 in SAF for FY 2006-07.  Each district would receive a per pupil amount for each pupil actually enrolled in grades 6 to 8, estimated to equal \$54 per eligible student.  Funding shall be used to improve pupil performance in mathematics.	REPEALED for FY 2007-08.	Concurs with Executive.		
Sec. 99d Automated External Defibrillators (AEDs)	Appropriates \$100,000 to provide grants to districts to purchase AEDs. Districts must provide a 50% local match.	REPEALS as of October 1, 2006. This would eliminate this funding for FY 2006-07 and FY 2007-08.	Appropriates \$100,000 for FY 2007-08.		
Sec. 99e Academic Improvement Grant	FY 2006-07 appropriation of \$125,000 to Inkster Public Schools as compensation for having received a reduced foundation allowance due to proration	Appropriates \$125,000 for FY 2007-08.  NEW (3) Specifies that funding shall be awarded for 3	Concurs with Executive.  Concurs with Executive.		

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	while having had an emergency financial manager in place.	consecutive fiscal years beginning with FY 2006-07.			
Sec. 99f School Mapping	Appropriates \$350,000 for mapping of school buildings for the purposes of security. Specifies that \$105,000 goes to Clare Gladwin ISD, and that \$28,000 go to each of Jackson, Kalamazoo, Muskegon, and Menominee Intermediate districts and to Garden City Schools. Finally, \$105,000 is allocated to distribute \$7,000 grants per school building in which an emergency situation has arisen within the last five years, or is identified by the Department and the State Police as likely to happen.	REPEALS as of October 1, 2006. This would eliminate this funding for FY 2006-07 and FY 2007-08.	REPEALS as of October 1, 2007. Eliminates funding for FY 2007-08.		
Sec. 99g School Based Crisis Intervention Project	Appropriates \$300,000 to expand the school-based crisis intervention project (a positive behavioral support program operated by Pontiac Schools.)	REPEALS as of October 1, 2006. This would eliminate this funding for FY 2006-07 and FY 2007-08.	REPEALS as of October 1, 2007. Eliminates funding for FY 2007-08.		
Sec. 99h FIRST Robotics Grants	Appropriates \$150,000 in FY 2006-07 for competitive grants to districts that provide high school pupils with expanded opportunities to improve math, science, and technology skills by participating in the FIRST Robotics competition. Applicants must provide at least a 50% match from other private or local funds.	Appropriates \$150,000 in FY 2007-08.	Concurs with Executive.		

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<b>NEW</b> Sec. 99i SEMAA Grant	N/A	N/A	Appropriates \$100,000 for 2007-2008 to Wayne State University for the SEMAA (science, engineering, mathematics, aerospace academy) program. SEMAA shall make available at no cost its program to all kindergarten through 12th graders.		
Sec. 104 Assessment Funding	For FY 2006-07, appropriates \$19,500,000 from the SAF for reimbursement of costs associated with complying with Sections 104a and 104b of the Act, and sections 1279 and 1280b of the Revised School Code. Also appropriates \$8,425,164 in Federal assessment funding for the purposes of complying with Federal NCLB Act. Requires that test results include item analyses that list all items counted for student scores and the percentage of students choosing each possible response.	For FY 2007-08, appropriates \$29,800,000 from the SAF, an increase of \$10,300,000.  For FY 2007-08 appropriates \$8,800,000 in Federal funds.	Concurs with Executive.  Concurs with Executive.		
Sec. 107 Adult Education Appropriation	Appropriates \$24,000,000 in SAF for Adult Education programs for FY 2006-07.  Up to \$22,500,000 shall be distributed to programs who received grants in FY 2005-06 in an amount equal to 107.1% of their FY 2005-06 award.  At least \$1,300,000 shall go to new programs.	Appropriates \$24,000,000 in SAF for Adult Education programs for FY 2007-08.  Up to \$23,800,000 shall be distributed to programs who received grants in FY 2006-07 in an amount equal to 104.3% of their FY 2006-07 award.  No funding for new programs in FY 2007-08.	Concurs with Executive.  Concurs with Executive.  Concurs with Executive.		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	PROPOSED – HOUSE SUBCOMMITTEE	SENATE PASSED	CONFERENCE
	<p>Not more than 1 grant may be awarded up to \$200,000 for expansion of an existing innovative community college program.</p> <p>Payment is based 90% on enrollment and 10% on completion of the program.</p>	<p>Not more than 1 grant may be awarded up to \$200,000 for expansion of an existing innovative community college program.</p> <p>Payment is based 75% on enrollment and 25% on completion of the program.</p> <p>NEW (17) In order to receive funds, districts shall furnish to the DLEG all information required for program administration and shall allow DLEG to review all program records and shall reimburse the State for disallowances found in the review.</p> <p>(18) Specifies that for this section department refers to the Department of Labor and Economic Growth.</p>	<p>Concurs with Executive.</p> <p>Payment is based on 80% on enrollment and 20% on completion of the program.</p> <p>Concurs with Executive.</p> <p>Concurs with Executive.</p>		
Sec. 147 Public School Employees' Retirement Rate	Estimates the FY 2006-07 rate to be 17.74%.	Estimates the FY 2007-08 rate to be 18.56% unless MPSERS assets are revalued as of 9/1/06, in which case the rate is estimated to be 16.72% for FY 2007-08.	Concurs with Executive.		
Sec. 163 Noncertified teachers and counselors	Prohibits school boards from employing noncertified teachers or counselors except as provided in the Revised School Code or in section 107b of the school aid act.	Deletes a reference to Section 107b which was repealed in 2005.	Concurs with Executive.		
Enacting Section 1 State Spending and Payments to Locals	N/A	Total state spending for FY 2007-08 is estimated at \$12,020,916,700 and payments to locals are \$11,861,170,300.	Total state spending for FY 2007-08 is estimated at \$11,979,243,600 and payments to locals are \$11,907,634,200		

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Enacting Section 2	N/A	<p>Repeals Sections as of October 1, 2006.</p> <p><b>Sec. 31c</b> –Children of Incarcerated Parents Grants  <b>Sec. 32m</b> –Book a Month Program  <b>Sec. 34</b> –Early Intervening Program  <b>Sec. 57a</b> –International Baccalaureate Grants  <b>Sec. 98c</b> –Web Based Testing  <b>Sec. 99d</b> –Automated External Defibrillators  <b>Sec. 99f</b> – School Building Security Mapping  <b>Sec. 99g</b> – Positive Behavioral Support Program</p>	<p>Repeals Sections as of October 1, 2007.</p> <p><b>Sec. 8a</b> -District report by Dec. 1 on average pupils per class in grades K-3;  <b>Sec. 31c</b> –Children of Incarcerated Parents Grants  <b>Sec. 32m</b> –Book a Month Program  <b>Sec. 34</b> –Early Intervening Program  <b>Sec. 41a</b> –Federal Bilingual Education.  <b>Sec. 54b</b> –Conductive Learning Evaluation.  <b>Sec. 57a</b> –International Baccalaureate Grants  <b>Sec. 98b</b> –Freedom to Learn.  <b>Sec. 98c</b> –Web Based Testing  <b>Sec. 99c</b> –Middle School Math.  <b>Sec. 99f</b> – School Building Security Mapping  <b>Sec. 99g</b> – Positive Behavioral Support Program  <b>Sec. 166</b> – Penalizes a district in which family planning drugs or devices are distributed or prescribed, or in which referrals for abortions are made, 5% of its total state aid.</p>		
Enacting Section 3 Repeals Sections as of October 1, 2007.	N/A	<p><b>Sec. 8a</b> -District report by Dec. 1 on average pupils per class in grades K-3;  <b>Sec. 22c</b> –FY 2006-07 Equity Payment.  <b>Sec. 41a</b> –Federal Bilingual Education.</p>	Not Included.		

SECTION	CURRENT LAW	EXECUTIVE RECOMMENDATION	PROPOSED – HOUSE SUBCOMMITTEE	SENATE PASSED	CONFERENCE
		<b>Sec. 54b</b> –Conductive Learning Evaluation. <b>Sec. 98b</b> –Freedom to Learn. <b>Sec. 99c</b> –Middle School Math. <b>Sec. 166</b> – Penalizes a district in which family planning drugs or devices are distributed or prescribed, or in which referrals for abortions are made, 5% of its total state aid.			
Various Sections throughout the Act.	N/A	Changes references from FY 2006-07 to FY 2007-08 throughout the bill.	Concurs with Executive.		